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Chairman : Mr. Baja ..... (Philippines)

Contents

Agenda item 156 : Measures to eliminate international terrorism

Agenda item 151 : Report of the United Nations Commission on International Trade Law on the work of its thirty-sixth session

Agenda item 159 : Observer status for the International Institute for Democracy and Electoral Assistance in the General Assembly

Agenda item 162 : Observer status for the Eurasian Economic Community in the General Assembly

Agenda item 163 : Observer status for the GUUAM in the General Assembly

Agenda item 164 : Observer status for the East African Community in the General Assembly

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The meeting was called to order at 10.10 a.m.

Agenda item 156: Measures to eliminate international terrorism (A/RES/57/27 and A/58/37)

1. **The Chairman** recalled that in resolution 57/27 the General Assembly had decided that the work of the Ad Hoc Committee established under resolution 51/210 would continue, if necessary, during the 58th session of the General Assembly within the framework of a working group of the Sixth Committee. Mindful of the aforementioned General Assembly resolution, the Ad Hoc Committee itself recommended in paragraph 16 of its report (A/58/37) that the Sixth Committee should consider establishing a working group, if appropriate, to continue with that task. The Chairman considered that the willingness existed to establish that working group of the Sixth Committee to continue the work of the Ad Hoc Committee.

2. *It was so decided.*

3. **The Chairman** also believed that Ambassador Rohan Perera, Chairman of the Ad Hoc Committee, was willing to assume the chair of the working group and that there would be general support for his doing so.

4. *It was so decided.*

5. In accordance with paragraph 9 of General Assembly resolution 51/210, the Ad Hoc Committee was open to all States Members of the United Nations or members of its Specialized Agencies or of the International Atomic Energy Agency. The Chairman proposed applying the same principles to the working group.

6. *It was so decided.*

Agenda item 151: Report of the United Nations Commission on International Trade Law on the work of its thirty-sixth session (A/58/17)

7. **Mr. Wiwen-Nilsson** (Sweden), Chairman of United Nations Commission on International Trade Law (UNCITRAL), outlined the work done by the Commission during its 36th session. Starting with the topic of privately financed infrastructure projects, the main item on the agenda had been finalization and approval of the draft UNCITRAL model legislative provisions on such projects. The United Nations had been one of the staunchest defenders of policies to support sustainable development, and recognized the shared responsibility of the public and private sectors in achieving that. Sustainable development would not be possible, however, without new investment in public infrastructure in areas such as water supply, public transport, energy production and pollution management. Those investments would only occur in a favourable national and international environment that promoted public and private investment, and one of the essential elements for that was the existence of a legislative framework that promoted private participation in infrastructure creation while simultaneously taking account of the public interest of the host country. Those were the main objectives of the UNCITRAL legislative guidelines on privately financed infrastructure projects, approved in 2000. The model provisions that had just been approved, along with the legislative guide, would provide States with a very useful tool for drafting legislation aimed at promoting privately financed infrastructure projects.

8. The second item on the Commission's agenda was the draft UNCITRAL legislative guide on insolvency law, finalization and approval of which by the Commission was scheduled for 2004. The existence of an operational insolvency law was in the public interest, since it promoted investment and economic development, protected employment and promoted business activity. The Commission had given its approval in principle to the draft guide and requested that it be sent to Member States, international organizations and other stakeholders to enable them to submit their comments as soon as possible. The accomplishment of this difficult task in the short span of two years had only been possible in the atmosphere of cooperation that characterized UNCITRAL's work. In that regard, the Commission had worked with various organizations such as the World Bank, the International Monetary Fund, the Asian Development Bank, the International Federation of Insolvency Professionals and the International Bar Association.

9. With regard to the solution of trade disputes, the Commission praised the work of revision of the UNCITRAL Model Law on International Commercial Arbitration of 1985 performed by Working Group II (Arbitration and Conciliation) in relation to interim measures, including the power of the arbitral tribunal

to issue such measures, and their recognition and enforcement, and the possibility that a court could decree such measures in support of arbitration. Issues for future review in that area included disputes that lent themselves to arbitration and proposed revisions of the 1976 UNCITRAL Arbitration Rules.

10. On the issue of electronic commerce, the Commission noted the progress made by Working Group IV (Electronic Commerce) in its review of the draft convention dealing with selected issues on electronic contracting, and reaffirmed its belief that an international instrument dealing with certain issues of electronic contracting would be useful in facilitating the use of modern means of communication in cross-border commercial transactions.

11. In the domain of transport law, the Commission had reviewed the progress made by Working Group III (Transport Law) in preparing a legislative instrument on issues relating to the international carriage of goods. The debates, which had involved various issues of great technical complexity, had elicited close collaboration from interested international agencies, including nongovernmental organizations. Mindful of the magnitude of the project undertaken, and that, having completed the first reading, it had reached a particularly difficult phase of its work, the Commission had authorized Working Group III on an exceptional basis to extend the duration of its two sessions to two weeks each, in view of the controversial issues that were pending.

12. On the topic of security interests, the Commission had congratulated Working Group VI (Security Interests) for having completed the first reading of the chapters of the draft legislative guide on secured transactions, which aimed to develop an efficient legal regime for security interests in goods involved in a commercial activity. By offering modern and viable solutions in providing for security interests, the guide would improve the availability of credit and lower its cost, thereby increasing international capital flows and promoting economic development.

13. Turning to the issues that would occupy the Commission in the future, the speaker began with the legal aspects of public procurement. The UNCITRAL Model Procurement Law of 1994 contained procedures aimed at achieving competition, transparency, fairness, economy and efficiency in the procurement process, and had proved to be an important international benchmark in procurement law reform. Over 30 countries from various parts of the world had passed laws based on it. Nonetheless, the Commission was mindful of the constant development of the law in that area and the need to ensure that instruments did not become obsolete with the passage of time. A review of experience gained from reforms based on the Model Law and problems that had arisen in its practical application showed that an aspect that needed to be taken into account was the increasing use of electronic commerce in public procurement. Given the innovations in that field, the Commission had decided that it would be useful to reintroduce public procurement into its work programme, and it had asked its secretariat to prepare detailed studies on the issues identified and to formulate proposals for addressing them. It was also advisable that the work be carried out in close cooperation with organizations with experience and knowledge in that field.

14. Another topic to be considered in the future was international commercial fraud, which had very negative impact on world trade and on the instruments that regulated it, and had grown significantly since the advent of the Internet. The Commission had decided that it would be useful to organize an international colloquium in 2004 to promote an exchange of views among the various stakeholders.

15. Pursuant to the provisions of General Assembly resolution 57/19 of 19 November 2002, on strengthening the UNCITRAL secretariat, the Commission had reviewed the practical consequences of its working methods, in particular relating to increasing the number of working groups from three to six, which would work in parallel, and the corresponding shortening of working group sessions from two weeks to one. Given the traditional working method (four weeks per year of plenary sessions and 12 weeks of conference services), over the last two years the Commission had chosen a new modality for its workgroup sessions, which would last for either one week (five working days) or two. That system had proven useful in enabling the Commission to work on more than three issues, thereby achieving economies in time and money for the delegates attending.

16. Nonetheless, the Commission noted that it would be convenient for two of its working groups (those responsible for transport law and security interests) to hold two-week sessions given the scope of the issues within their brief and the need to hasten their work.

Otherwise the sessions of the other groups would need to be postponed. The innovation had received a favourable response, although it had been decided that a spirit of flexibility should prevail when considering the possibility of increasing the conference services allocated to a working group. In principle it had been agreed that the groups would meet for a one-week session twice a year. With the 12 weeks of conference services available for the six working groups, additional time could be allocated to a group if another did not use all of its entitlement. Nonetheless, any request to extend the duration of sessions for longer than the 12 weeks of conference services would need to be reviewed by the Commission, subject to prior justification of the reasons by the working group, and sent in turn to the competent bodies of the General Assembly for a final decision.

17. With regard to the function of UNCITRAL and the resources available to it, the speaker said that the Commission's achievements justified its role as the key legal body of the United Nations system in the field of international trade law. Its projects were increasingly complex and wide ranging, given the difficulty of universally standardizing issues such as insolvency law, secured transactions, and privately financed infrastructure projects. For that reason, in 2001, its work programme had been expanded to encompass six issues in six working groups. Moreover, other issues were being studied outside the groups, including the case law summaries relating to the United Nations Sales Convention, and legislative follow-up to the New York Convention. The expansion of the work programme made it harder for UNCITRAL to coordinate the parallel initiatives being undertaken by various organizations in fields such as electronic commerce, dispute settlement, insolvency, transport law, secured transactions, and privately financed infrastructure projects. At the same time, it increased the need for assistance on legal reforms, especially in developing countries, all of which posed new demands on the secretariat of the Commission, which had already been suffering from a work overload. Despite repeated requests by the Commission and the General Assembly to strengthen the UNCITRAL secretariat, its resources had been held at their 1968 level, i.e. 11 staff on the main payroll and seven General Service staff.

18. In response to a request by the Legal Adviser, the Secretary-General had proposed that the UNCITRAL secretariat be restructured to incorporate three lawyers and one General Staff member. The secretariat would be divided into two pillars, one working on the drafting of legal texts, and the other focusing on coordination and the provision of technical assistance to developing countries. The coordination function, already important in 1966, had acquired special relevance over the last few years, given the increasing number of organizations, both intergovernmental and nongovernmental, that were participating in the preparation of legal standards. The production of activities reports by organizations working in the field of international trade law should be continued. The promotion of uniform legal standards would need substantially greater input from the UNCITRAL secretariat in supporting developing countries that required assistance with the technicalities of modernizing their laws. The dissemination of information required considerable resources to maintain and update UNCITRAL case law databases (CLOUT) and to produce digests of case law on the main instruments that resulted from its work. Although that task had already begun, it was not progressing fast enough to meet demand because of inadequate resources. It was estimated that a total of four Professional staff, headed by a Senior Legal Officer, were the minimum needed for that second pillar.

19. The Commission had warmly welcomed the Legal Adviser's proposals, which nonetheless required a favourable recommendation from the Fifth Committee of the General Assembly. It was disappointing that the Advisory Commission on Administrative and Budgetary Questions (ACABQ) had recommended one fewer staff member on the main payroll than originally requested, which meant that the general structure of the Legal Adviser's proposal might not be achieved. This could force the Commission to postpone or interrupt part of its work, which would conflict with the urgent need to progressively standardize and modernize trade law worldwide; and it would negate the role of UNCITRAL as a central legal body of the United Nations system, in the terms expressed by the General Assembly.

20. **Mr. Hans Corell** (Legal Adviser) stated that the number of international organizations preparing regulations on international trade had grown alongside processes of regional and global economic integration between States and the understanding that the growth of international trade required modern and standardized rules and regulations. It was important that the work of

those international organizations be coordinated to avoid duplication. There was also a possibility that the regulations created by different bodies would contain discrepancies, which could give rise to confusion and a waste of resources. Among other tasks, the UNCITRAL mandate included coordinating the work of organizations involved in the standardization of international trade law, and encouraging collaboration between them. In that regard, the Commission and its secretariat were doing everything they could to promote constructive cooperation and complementarity between the various rule-making bodies.

21. The Commission's report stated that there was a risk of overlapping mandates. The fact that the Economic Commission for Europe (ECE) had increased its trade facilitation activities had not been well received by the Commission, which had argued that the potential duplication of the work of a truly global body, such as UNCITRAL, and that of ECE was the type of recurrent situation that needed to be avoided, since it could damage the image of the United Nations and undermine the effectiveness of its activities in support of the modernization of trade law, while also giving rise to inefficient resource use. In the Commission's opinion, the issue needed to be addressed more thoroughly in the relevant bodies of the General Assembly. The Sixth Committee should study the issue and precisely define the mandates and respective functions of UNCITRAL and the regional economic commissions in formulating and promoting modernization of the rules on international trade. The General Assembly had repeatedly reaffirmed UNCITRAL's mandate to coordinate legal activities in that field, in its role as the United Nations system's key legal body in the field of international trade law. The Sixth Committee should give special attention to the issue during the current year, and recommend to the General Assembly that the relevant items, including UNCITRAL's coordination function, be clarified in the draft resolution.

22. In relation to the Secretary-General's proposal to strengthen the UNCITRAL secretariat, the Division could be restructured by dividing its activities into two pillars. The first would concentrate on preparing the documents of the six UNCITRAL intergovernmental working groups and substantive projects. Although the ideal would be to have at least two legal officers working on each of the six projects entrusted to a working group, the necessary quality could be maintained with groups of three legal officers, including a senior legal officer, working on two projects simultaneously in order to reduce staff costs. That would mean the pillar would have a total of nine legal officers, including a senior legal officer responsible for coordinating the work between the different working groups and intervening directly where necessary in the functioning of the groups. Activities in the second pillar would focus on coordination of the work of international organizations involved in international trade law, technical legislative assistance, in particular to developing countries, and the dissemination of recent legal developments, including case law, in the field of international trade law. Five legal officers would work in that pillar, including the senior legal officer as director. The two pillars would cooperate with each other and share human and other resources. The secretariat would also have a chief executive responsible for coordinating the activities undertaken in the two pillars.

23. In relation to legislative assistance, the Commission had noted that a number of requests had been refused because of a lack of resources. There was also concern that the Commission could not fulfil its training and technical assistance mandate in the absence of monitoring measures or effective cooperation and coordination between the secretariat and the development assistance agencies that provided technical support or financed development activities. It was also possible that national legislation might conflict with regulations agreed upon internationally. In that regard, UNCITRAL had taken note of the initial measures adopted to implement the General Assembly's request that the Secretary-General substantially increase the secretariat's human and financial resources, part of which would be used to ensure effective implementation of the Commission's training and assistance program and the timely publication and dissemination of its work.

24. In 2002, UNCITRAL had noted with concerned that it would have to scale back its work programme unless its secretariat was strengthened sufficiently Unfortunately ACABQ considered that the proposal to create a division directed by two staff members in the D-2 category was inconsistent with the criterion set by the General Assembly that it should be done within available resources. The Legal Adviser disagreed with ACABQ , whose statement seemed to be the result of an oversight, since the budget proposal had been made

by simplifying and enhancing the effectiveness of the Office of Legal Affairs, thereby making it possible to provide resources from other sections of that Office to the UNCITRAL secretariat. Thanks to that system, the Office of Legal Affairs had been able to present a draft programme budget with an overall reduction compared to the budget for the biennium 2002-2003.

25. It was essential to address urgent needs, because the amount of funding needed was small and could be covered with the existing level of resources in the Office of Legal Affairs. If that opportunity was lost, there might not be another one. The Fifth and Sixth Committees should bear in mind the considerations included in the Secretary-General's proposal, and recommend the General Assembly to approve the proposed programme budget for the UNCITRAL secretariat in its entirety. The work should focus on legislative technical assistance, particularly that provided to developing countries to enable them to participate in existing conventions and apply the UNCITRAL model legislation, as many of them lacked the necessary resources to undertake that work for themselves. To assist them in that task, the UNCITRAL secretariat should prepare a set of instruments, based on acquired experience, which could be used to prepare the necessary legislative instruments at the national level for approval by the competent bodies. This was a fundamental issue not only in the domain of trade law, but also in the sphere of international peace and security.

26. **Ms. Miller** (Sweden), speaking on behalf of the Nordic countries, said that UNCITRAL's achievements showed that the expansion of cooperation and awareness in the sphere of international trade law was generally accepted as the key to success in the commercial world and economic development. The UNCITRAL model legislative provisions on privately financed infrastructure projects, which would be consolidated with the text of the legislative guide on the same subject, would improve that instrument and facilitate establishment of a legislative framework at the national level that was favourable to projects of that type. The progress achieved by the Commission included preliminary approval of the draft legislative guide on insolvency law.

27. The Nordic countries welcomed the new members of UNCITRAL, since the expansion would enhance the Commission's work and could help achieve greater acceptance of its texts by all States. It was also important to promote open debate on ways to finance participation by developing country representatives. In relation to strengthening of the secretariat, the proposal enjoyed great support and would help to improve the secretariat's functions.

28. **Mr. Popkov** (Belarus) lauded the progress achieved by UNCITRAL in relation to standardization and unification of the laws regulating international trade. The Commission's activities in codifying and developing the rules of electronic commerce, transport law, arbitration and private funding of infrastructure projects were particularly important. In recent years, Belarus had sought to standardize its own legislation on commercial activities, for which purpose UNCITRAL documents had been incorporated into national legislation governing the norms of civil law and economic relations. UNCITRAL was an extremely effective United Nations body with great potential for helping developing countries and those with economies in transition to integrate into the world economy. For that reason Belarus had presented its candidacy in UNCITRAL for the period 2004-2010. The UNCITRAL model legal provisions on privately financed infrastructure projects would have a positive impact on national legislation governing private investments in public infrastructure projects, because such projects would now benefit from detailed regulation and the experience of other countries in the field.

29. The fact that electronic commerce transactions had increasingly been incorporated into international trade practice, meant that a clear legal framework was needed for them to operate in. The work done by UNCITRAL to standardize the rules of electronic commerce and the legal document that was being prepared to examine various aspects of the use of the new communications media in cross-border commercial transactions were praiseworthy, and it was to be hoped that the instrument would take the form of an international convention. As a continental country of transit, Belarus was very interested in the activities of the Working Group on Transport Law in relation to the carriage of goods by sea, and it hoped that the problem of "door-to-door transport" which encompassed sea, road and rail transport would be resolved, since it accounted for a large part of the volume of world trade. The data obtained would enable UNCITRAL to combine in a single document the legal rules applicable to maritime transport and other types

of land transport, which would strengthen international transport generally.

30. With regard to proposals on the Commission's future work, there was a need to persevere with research on public procurement and introduce the study of commercial fraud into the programme. The Belarus parliament was currently studying a draft law on public procurement for goods and services which took into account the provisions of the UNCITRAL model law of 1994. Commercial fraud was a major problem, especially as the new technologies and Internet become increasingly widespread in international trade. UNCITRAL would have two devote major effort and time to studying this issue, and cooperation with the Commission on Crime Prevention and Criminal Justice, and other international bodies involved in criminal law would be necessary.

31. The UNCITRAL secretariat was to be congratulated for its work on staff training and the technical assistance provided on international trade law; and it was to be hoped that it would continue to have funds available to respond to the growing needs of developing countries and those with economies in transition. Participation in UNCITRAL's work by those countries was extremely important, because it created the conditions needed to formulate laws that responded to the goals of establishing a fair international economic order.

32. **Ms. Ong** (Singapore) stated that since its creation UNCITRAL had played a fundamental role in eliminating barriers to international trade. Singapore had always participated actively in the activities of the Commission and its working groups, aimed at standardizing laws on international trade. Singapore was satisfied by the re-election of the Senior Government Adviser to the Office of the Minister of Justice, Mr. Jeffrey Chan, as Chairman of the Working Group on Electronic Commerce in its 41st session. During his term of office, the group had worked on preparing a draft convention on electronic contracting and the elimination of legal obstacles to the development of electronic commerce and instruments relating thereto, a convention that would be very useful in promoting electronic commerce, by contributing security and standardization with the formulation of clear provisions on electronic contracts. Singapore looked forward to timely completion of the activities of that working group. It congratulated the Commission for having successfully concluded the Model Law on International Commercial Arbitration, which the General Assembly had approved at the start of the year. The Model Law would enable States to improve and prepare legislation on arbitration with a view to establishing a standardized legal framework for fair and efficient settlement of trade disputes. For that purpose, the government was considering legislation in line with the provisions of the UNCITRAL Model Law on International Commercial Arbitration, adapted to Singapore's particular circumstances.

33. Singapore was firmly committed to the Commission's ongoing work in the fields of training and assistance, particularly regarding the promotion of standard legal texts aimed at governments. It clearly supported the standardization of trade legislation in the region and was proud to have been able to collaborate with UNCITRAL in that important area in Asia by participating in the Commission's technical assistance and training activities. In 2000, Singapore had formed part of the UNCITRAL team that had provided training in Beijing. In 2002 it had worked with the Commission to train government officials, professionals and representatives of the academic world in Cambodia and Indonesia on UNCITRAL texts. In the same year, Singapore had organized a conference attended by participants from all around the world to discuss the standardization of international trade legislation and UNCITRAL, in order to elicit a greater valuation and awareness of the Commission's work and its importance in improving the legal framework of international trade. Singapore acknowledged the secretariat's efforts to improve the Commission's Internet site, and it was mindful of the value of case law on UNCITRAL texts in promoting international awareness of those texts, and in reviewing cases and arbitration rulings related to the Commission's legal texts.

34. The Commission's fundamental role in promoting commercial transactions needed to be supported by the provision of financial and staffing resources, and by Member States displaying their commitment to its work and support for it. Accordingly, Singapore firmly supported the expansion in the number of members of the Commission, which would introduce greater intellectual diversity and practice in its deliberations, and guarantee that different legal systems were genuinely represented in the texts published by the Commission, which in turn would promote the standardization of trade legislation.

35. Singapore unreservedly supported the expansion of the UNCITRAL secretariat and its conversion into a division of the United Nations Office of Legal Affairs. Such expansion was essential to enable the Commission to effectively fulfil the functions it had assumed, bearing in mind the rapid evolution of international trade, the growing importance of cross-border commercial transactions, and the increasing needs that the Commission had to respond to with its available resources. It regretted that the Advisory Commission on Administrative and Budgetary Questions had not supported the proposal to turn the UNCITRAL secretariat into a division of the Office of Legal Affairs.

36. Singapore was mindful that despite the increasing the number of members of the Commission and the additional resources provided to it by the United Nations, little would be achieved if Member States failed to participate in its work. It was important that representatives of Member States participating in the Commission's working groups were experts with in-depth knowledge of the subject who could contribute effectively to the discussions. It was also important that when UNCITRAL had completed its work and prepared a new text, the States, particularly those that participated in the deliberations and had had the chance to have their position accepted, set an example by incorporating the text into their national legislation. Otherwise, the work of UNCITRAL in standardizing legal provisions on international trade and the intellectual effort of those participating in its deliberations would be in vain.

37. **Ms. Semambo-Kalema** (Uganda) said that approval of the draft model legislative provisions on privately financed infrastructure projects at the latest session of UNCITRAL represented a continuation of work already done by the Commission following approval of the legislative guide on privately financed infrastructure projects in 2000. Although the model provisions were a step forward from previous work and incorporated part of the earlier text, Uganda supported the recommendation to prepare a joint publication that would include the full text of the guide at the end. It believed that the model provisions would be useful for national legislative bodies, particularly in countries like Uganda, in designing an appropriate legislative framework that would promote private infrastructure investment. Uganda was satisfied with the work done on the legislative guide on insolvency law, the objectives and main policies of which had been approved the Committee. It welcomed with great satisfaction the proposal that the Commission and the World Bank should collaborate on insolvency law reforms, which would avoid duplication of effort and discrepancies between different texts. Although the Commission's work in that field needed to be developed and improved, Uganda was confident that, once concluded, the guide would be a useful instrument for all States, irrespective of their legal or economic tradition.

38. Uganda applauded the significant progress made by the Commission in the fields of arbitration, transport law, electronic commerce and security interests, and it congratulated the secretariat for its work in preparing and disseminating case law on UNCITRAL texts and the summaries of case law relating to the United Nations Sales Convention and other standard texts, which were extremely useful for students, researchers, academics, members of the judiciary and the public at large; and for its work in preparing, despite continuing financial constraints, the training and technical assistance programme, aspects of which were of the utmost importance for the unification and standardization of trade law. Assistance of that type was particularly useful for developing countries and those with economies in transition, which lacked the relevant know-how. Accordingly, Uganda urged the Secretary-General to substantially increase human and financial resources to ensure effective application of the Commission's assistance program and the publication and dissemination of it work, notwithstanding the proposal presented by the Legal Adviser to the Secretary-General for the 2004-2005 budget. The Commission's developing-country members continued to find it difficult to attend its sessions, but their contributions were fundamental to ensuring that the concerns of the group they represented were reflected, and for the acceptance and universal application of the instruments adopted. Uganda therefore called for contributions to the trust fund to be increased, to ensure those countries' participation.

39. **Ms. Pulido Santana** (Venezuela) shared the concerns expressed by the Legal Adviser and said that, despite not being a member of UNCITRAL, her country had participated actively as an observer on Commission's various agenda items. She was aware of the importance of UNCITRAL's work in a globalized

world where international trade had become an essential and defining element of international relations. By promoting the progressive standardization and unification of international trade law, the Commission was effectively contributing to multilateral cooperation and helping to eliminate obstacles to international trade, while taking the interests of developing countries into account. In that regard, Venezuela lauded the work done by the Commission to conclude and gain approval for the Model Law on International Commercial Arbitration, and the progress made in its work on arbitration and electronic commerce. It also supported the Commission's efforts to achieve effective coordination in the sphere of international trade law with other bodies and organizations of the United Nations system, since such coordination was necessary to avoid duplication of effort and contribute to the efficiency, uniformity and standardization of that law. In that regard, it supported the intensification of dialogue between UNCITRAL and the United Nations Office of Legal Affairs.

40. Venezuela warmly welcomed the approval of resolution 57/20 increasing the number of members of the Commission, and wished to participate fully in the latter's work. It had therefore presented itself as a candidate for one of the new posts assigned to countries from the Latin American and Caribbean region, from which position it would intensify its contribution to the Commission's valuable work.

41. **Mr. Gandhi** (India) said that he was pleased to note that the 36th session of the Commission had been so productive. In it the Commission had approved the UNCITRAL model legislative provisions on privately financed infrastructure projects, which India hoped would fulfil their objective of helping Member States improve legal clarity and accountability, and thus put an end to vague legislative frameworks that spawned arbitrary behaviour or corruption in relations between private investors and public authorities.

42. Another important contribution to emerge from the Commission's 36th session had been the review and preliminary approval of the UNCITRAL draft legislative guide on insolvency law, which India hoped would be ready for conclusion and approval during the Commission's 2004 session. Although India understood the Commission's interest in ensuring that the draft guide was closely coordinated with the corresponding World Bank principles on insolvency, and was mindful of the need to have standardized, consistent and uniform rules in that field, it should be remembered that UNCITRAL's work was possibly not fully aligned to the practices recommended by financial organizations, since it reflected consensus reached after intensive negotiations with States and, therefore, enjoyed broader acceptance, despite having the status of a recommendation.

43. India welcomed the Commission's work in the field of electronic commerce, the aim of which was to simplify the legal framework to facilitate such trade and its good governance. The speaker was pleased to report that the government of India had passed its own information technology law, based on the UNCITRAL Model Law on Electronic Commerce. India hoped that the Commission's recent work on electronic contracting would be equally be useful to other countries and provide them with an accessible model for regulating electronic sales contracts. The Working Group appeared to have encountered problems in dealing with data messages in transactions undertaken over the Internet. In India's opinion, the Working Group should make a careful study of the time at which the contract was signed and the effects thereof.

44. With regard to the Commission's work on arbitration, there had been long debates on the issue of interim measures, which were hard to enforce in arbitral proceedings because such measures were different from the arbitration ruling. To enforce arbitration rulings, courts would take various issues into account, such as public order and the definite existence of a commercial relation. In many countries, including India, there was no established practice enabling arbitration courts to adopt interim measures, and even where they could be adopted, they would be difficult to enforce.

45. In the field of transport law there seemed be support for the idea of door-to-door application of the draft instrument. In India's opinion, the project reflected the reality of container transport in the present era, and therefore enhanced the security of the delivery of goods at their destination. India hoped that the differences existing in the Working Group regarding the scope of the door-to-door transport concept as envisaged in the instrument would be resolved.

46. India welcomed the approval for future work on public procurement and commercial fraud. The latter

was a matter of increasing concern for international trade and represented a serious threat to the world economy, largely due to technological progress and Internet use. The government of India had created an office for the investigation of serious fraud which would investigate frauds perpetrated by large enterprises, including those committed against shareholders, depositors, and investors. It proposed to establish a multidisciplinary team consisting of experts in accounting, forensic auditing, taxation, law, information technology and capital markets for that purpose. Hopefully those investigations would help to improve systems, laws and procedures. On that subject, India welcomed the Commission's decision to hold a colloquium to discuss different aspects of the problem from the standpoint of private law, which would not only allow for an exchange of points of view between the parties, but would also provide a useful forum for defining the parameters for a study project that could be undertaken by the Commission on Crime Prevention and Criminal Justice.

47. The compilation and dissemination of case law on UNCITRAL texts was extremely valuable as a way of making information on the interpretation and implementation of the Commission's texts available in different countries, and it was an important means of promoting their uniform interpretation and application. The work done by the secretariat of the Commission in organizing seminars and informative conferences was praiseworthy, and India considered them particularly important for disseminating UNCITRAL's work on the development and standardization of international trade law, and in fostering greater acceptance of the conventions and model laws adopted by the Commission.

48. With regard to the duplication of work in the United Nations system, although it was true that overlap might be inevitable and sometimes even convenient, more coordination was needed between the different forums to avoid it.

49. India fully supported the proposal to use additional funds from the Office of Legal Affairs to strengthen the UNCITRAL secretariat.

50. India welcomed the increase in the number of Commission members, which would enable more States to participate in, and contribute to it its work, thereby making it more representative of all legal traditions and economic systems, and also more effective.

51. **Mr. Marschik** (Austria) expressed his satisfaction at the increase in the number of members of UNCITRAL, and at the interest shown by various States in forming part of the Commission, which was evidence of the importance it had gained as a forum for drafting international trade law, and as a specialized agency providing services to States in the work they undertook in that field. Austria hoped that the UNCITRAL model legislative provisions on privately financed infrastructure projects, approved by the Commission at its 36th session, which attempted to balance the interests of private investors and the public interest, would have major repercussions on the work of States in studying new legislation on that subject, and that it would help to attract private investment into infrastructure projects, particularly in developing countries.

52. Austria congratulated UNCITRAL on the adoption, in principle, of a draft legislative guide on insolvency law. Mindful that the World Bank also planned to review its principles on that subject, Austria supported the Commission's aim of finalizing its work next year, once States and relevant international organizations had expressed their opinion on the draft. It had also been following with great interest the debate on other issues, such as arbitration, transport law, security interests and electronic commerce; and it considered that the two issues that the Commission intended to address in the future, namely public procurement and commercial fraud, were timely and important.

53. With regard to the working methods of the Commission in general, Austria urged UNCITRAL to continue coordinating the activities of the different working groups, and it welcomed the flexibility given to the time allocated to each of them, provided that enabled them make progress in their activities without having negative repercussions on other issues. In addition, Austria urged the Commission to cooperate with other organizations working in the field, in order to avoid duplication.

54. UNCITRAL's work on the standardization and development of international trade law went beyond the discussion and adoption of legal texts. Austria praised the secretariat's efforts to disseminate the Commission's work, including the compilation and

dissemination of case law on UNCITRAL texts and the organization of seminars on training and technical assistance. In that context, it regretted that its limited resources prevented it from organizing more legal assistance seminars and information missions. As highlighted in paragraph 251 of the UNCITRAL report, the increasing interest in the trade law reform provided a unique opportunity for the Commission to contribute actively toward extending the benefits of globalization to all States in a fair and balanced fashion.

55. As could be gleaned from the report, the volume of the Commission's work was imposing serious constraints on the secretariat's resources, which were still at their 1968 level. It was encouraging that calls to alleviate the workload of the UNCITRAL secretariat, made in recent years in the Sixth Committee, had now been expressed in a proposal carefully prepared by the Legal Adviser, Mr. Hans Corell, to enhance and restructure the secretariat within the resource limits of the Office of Legal Affairs. The Legal Adviser's proposals would enable UNCITRAL to continue providing an excellent service to United Nations Member States, maintaining the high level of competency expected of it. Austria unreservedly supported Mr. Corell's timely initiative and would do everything in its power to ensure its approval. It therefore regretted the fact that the Advisory Committee on Administrative and Budgetary Questions had not supported one of the proposals, namely to restructure the secretariat and convert it into a division. Austria believed that Member States would be best advised to accept the Legal Adviser's initial proposal, and it would defend that position in the Fifth Committee, confident that other States would do likewise.

56. Austria, which over the years had faithfully supported the Commission and its secretariat in Vienna, attached the greatest importance to UNCITRAL's work and hoped to contribute actively to its future activities. It would therefore continue to make its conference facilities available along with other infrastructures, such as the specialized library. It was also confident that the work of the staff of the Vienna secretariat, the geographic proximity to the regions with which it was most concerned and the efficiency stemming therefrom, and the excellent relations that existed between the Commission and the local academic and legal communities, would continue to be useful to UNCITRAL.

57. **Mr. Lacanilao** (Philippines), praised the progress made by UNCITRAL in the previous year, and expressed his support for its work to progressively standardize and unify international trade law, paying special attention to the interests of developing countries. International trade law was an important vehicle of progress and welfare for the citizens of developing countries, and the Commission should play a major role in creating international standards to establish a fair regime of international trade law that took the interests of developing countries specially into account. In that regard, the speaker was worried by the news of a possible duplication of tasks between UNCITRAL and other regional commissions of ECOSOC, particularly the Economic Commission for Europe. The Philippines reaffirmed UNCITRAL's mandate to coordinate all legal activities in that domain, in order to avoid duplication and promote an efficient, systematic and consistent unification and harmonization of international trade law; and it would support the inclusion of a reference to that effect in the Sixth Committee's draft resolution.

58. Increasing numbers of States were requesting training and technical assistance from the Commission. Such activities took the form of seminars and information missions to disseminate the key features of UNCITRAL texts, which were often followed up with advice on drafting regulations and the advantages of adopting them. The latter had been particularly useful for developing countries and those with economies in transition, which tended to lack experience in the Commission's sphere of work. Those activities also played an important role in the economic integration initiatives undertaken by many countries. The Philippines encouraged the Commission to continue improving and expanding its training and technical assistance activities, and it urged governments and the competent bodies of the United Nations to make voluntary contributions to the various trust funds under the auspices of the Commission, to enable it to continue organizing seminars and informative meetings, and to finance developing countries' participation therein.

59. The speaker welcomed the fact that several States were considering the possibility of subscribing to certain conventions and introducing legislation based on the UNCITRAL model laws; and, in that regard, it requested the secretariat to redouble its efforts to help States adopt the Commission's texts. Given the latter's

increasing workload, the Philippines supported the recommendation made by the United Nations Office of Internal Oversight Services that the Secretary-General should consider measures to strengthen the secretariat within the limits of the Organization's resources, as soon as possible. In that context, it supported the Legal Adviser's proposal to strengthen the secretariat of the Commission in the framework of budgetary resources available to the Office of Legal Affairs; and it urged the Fifth and Sixth Committees to support the long-awaited increase in the secretariat's resources. The Philippines also supported the idea of creating a common mechanism for coordination between UNCITRAL, the Hague Conference on Private International Law and the International Institute for the Unification of Private Law (UNIDROIT). As had been proposed earlier, coordination between those three bodies could start with an annual meeting of the three secretariats to exchange information on current and future work, particularly on the dates of their respective sessions and other meetings so that governments could plan their participation in them. The respective secretariats should also look for ways to coordinate their work with that of other intergovernmental regional and international organizations that participated in the formulation of private and trade law.

60. Lastly, the speaker welcomed the increase in the number of members of the Commission, which had resulted in a more balanced representation. Nonetheless, the expansion would only be beneficial if all members of the Commission participated actively in its deliberations, which, in most cases would require a lack of resources to be overcome. Echoing the statements made by the representative of Uganda, the Philippines once again urged all countries, especially developed ones, to increase their contribution to the trust fund to help members from developing countries attend the Commission's meetings.

61. **Mr. Guan** (People's Republic of China) said that most of the issues studied in the latest session of UNCITRAL were matters of current importance in international trade that urgently required unification and coordination by the various countries and regions. China welcomed the agenda review which had been completed within the established deadline; the agreement achieved on the future work programme; and the Commission's annual report, which provided an objective and general description of the debates held during the session. It also noted that countries were increasingly subscribing to the conventions drafted by the Commission, which underscored its important role in standardizing and unifying international trade law, and in studying new developments in that field. The achievements and work of UNCITRAL were appreciated by all countries. China would contribute as always to the Commission's activities and hoped the latter would maintain the high quality of its work.

62. China considered that the provisions of international trade law, prepared by the Commission's various working groups, raised numerous new issues that needed to be examined carefully and exhaustively. It therefore proposed that additional time be given to working groups, whenever possible, to enable them to complete their tasks. Meanwhile, as the development level and the state of legislation varied from one country to another, China proposed that, in the future, UNCITRAL should pay greater attention to the mismatch between countries of different development levels, and strengthen the assistance and training provided to Member States, particularly developing countries, through seminars and meetings, in order to narrow the gap and increase the effectiveness of its work.

63. The conventions and model laws drafted under UNCITRAL auspices were very important for international trade, but it was necessary to persevere in that task. States should more readily support and accept the aforementioned conventions and models and provide support for UNCITRAL, while the latter should seek opinions from the various sectors involved, bearing in mind the practical situation of the different countries, while improving dissemination of the provisions it drafted. The government of the People's Republic of China was an active participant in six working groups, and had sent judges, civil servants, and experts to participate in the Commission's thematic activities. In addition, it made sure that documents on UNCITRAL meetings and activities were rapidly distributed to the competent public bodies to disseminate the Commission's progress and achievements. China urged the General Assembly to give more active support to UNCITRAL's work, to enable it to fulfil its task continuously and efficiently.

64. **Mr. Rosand** (United States of America) said that his country valued the work of the Commission in improving world trade and commercial exchange between all regions. Its emphasis on introducing

legislative reforms had benefited States of all development levels. That objective had been achieved mainly through the unification of trade law, bearing in mind current transaction practices and the most recent events in the area of dispute settlement. The Commission had continued to work on those issues, preparing effective private international legal texts from a technical and non-politicized perspective, which was one of the keys to its success. That success had also been assisted by systematic organization of the work, exhaustive analysis of the issues, and the high quality of legal texts drafted by the secretariat of the Trade Law Subdivision.

65. The speaker was pleased to announce that one of the most important texts approved by UNCITRAL in its 35th session, which the General Assembly had adopted, namely the UNCITRAL Model Law on International Commercial Arbitration, had been incorporated into the Uniform Arbitration Act of the United States. Several states of the union were embarked on processes to approve the Uniform Arbitration Act with the corresponding amendments relating to UNCITRAL; and the United States was confident that other Member States would adopt that important instrument to facilitate the resolution of international trade disputes.

66. The achievements of the 36th session of UNCITRAL, held in Vienna, included completion of the second phase of the work on privately financed infrastructure projects and provisional approval of legislative recommendations for the reform of business insolvency law. Following approval of the UNCITRAL legislative guide on privately financed infrastructure projects, which occurred in 2000, several Member States had asked the Commission to identify those parts of the guide dealing with the formulation and award of the main concession contracts and convert them into model legislative provisions. Despite the difficulties involved in drafting legal texts, the Working Group on Privately Financed Infrastructure Projects and the secretariat completed their work in three years, adapting the recommendations of the original text to reflect most recent developments. The existence of a modern law governing project financing would significantly ease budget constraints in developing countries and prevent them from taking on unnecessary sovereign debt. Those partnerships between the public and private sectors had contributed to the considerable progress made by numerous States in the last decade, so hopefully support from the General Assembly would encourage Member States to apply those proposals in the near future, thereby attracting private capital to support infrastructure development.

67. At its 36th session, the Commission decided that the secretariat would undertake a study to improve the UNCITRAL Model Law on Public Procurement of Goods, Works and Services. The study had had to decide which areas of the procurement law would need to be changed, and take account of amendments imposed by the growth of electronic contracting. Having modern procurement laws in place not only affected all aspects of public sector activity, but was a major factor in promoting transparency and economic efficiency and reducing corruption. The United States therefore supported improvement of the Model Law on Procurement and looked forward to being able to review the secretariat's recommendations.

68. The Commission had also provisionally approved draft recommendations for the reform of insolvency law, which had been discussed over the past three years, and should be ready for definitive adoption in the plenary session to be held in June 2004. Several countries were already studying how to reflect the recommendations in their domestic legislation. The existence of a modern insolvency law was a fundamental criterion in analysing country risk in the context of international investment and the financing of commercial activities. The lack of an efficient system for recycling economic assets not only hindered investment but could also aggravate systemic risks at times of economic contraction. The legislative recommendations encompassed all aspects of a modern insolvency law, including new sections allowing for financial bailout and refinancing of firms, together with expeditious means of achieving that wherever possible.

69. In relation to insolvency, the secretariats of the World Bank, which was preparing a parallel text for reform of insolvency law, and of UNCITRAL, had been exchanging information in an attempt to make their policies on that subject converge. In that endeavour they had received assistance from several States, including his own. Although the United States welcomed the fruitful coordination between the two bodies, it was important that the international rules used both by the World Bank and by the International Monetary Fund to evaluate progress made by States in that area fully reflected the work of the United Nations

through UNCITRAL. The Under-Secretary-General, Mr. Corell, had raised that issue with his counterparts at the World Bank, and the United States encouraged other States to support a solution that duly recognized both legal texts as part of the new international legal framework.

70. The speaker highlighted the effective endeavours of the other working groups in the fields of commercial arbitration and conciliation, the carriage of goods by land and sea, electronic commerce, and secured financing; and he encouraged the Commission to make progress in those areas as rapidly as possible, bearing in mind resource constraints.

71. One of the ongoing projects, namely the legislative guide on secured financing, might soon require a decision to be taken on the economic repercussions of the different alternatives being discussed. As the Commission's mandate consisted of encouraging trade between States of all development levels, it was important to undertake the respective economic valuations, to prevent the Commission's task being restricted to a cataloguing of alternatives, which was a more modest function that other bodies could undertake.

72. Lastly, the speaker lauded the progress made by the secretariat in its review of civil instruments to combat the growth of international commercial fraud, which could undermine essential commercial activities, and in particular threaten economic stability and markets in developing States. As the issue had formerly been outside the ordinary work of the organs of United Nations system, it was pleasing that UNCITRAL staff, in collaboration with the United Nations Commission on Crime Prevention and Criminal Justice, based in Vienna, had responded to requests from several countries to study the possibility of discussing the issue in the future.

73. **Mr. Jacovides** (Cyprus) stressed the importance of approving the UNCITRAL model legislative provisions on privately financed infrastructure projects, and the draft legislative guide on insolvency law, which had already been done on a preliminary basis; and he also highlighted the progress achieved by the working groups in their various areas of concern. On commercial fraud, he stated that the implementation of new technologies and use of the Internet had aggravated the situation, and he urged the Commission to persevere with its efforts to combat the problem effectively. He applauded the suggestion to hold an international colloquium with participation from the various stakeholders, including governments, intergovernmental organizations and competent private bodies.

74. The speaker praised UNCITRAL's codification work in different areas of international trade law, and its training and active assistance activity on behalf of developing countries and those with economies in transition. Cyprus had benefited from that assistance and had made a modest contribution to the trust fund for travel expenses. Arbitration was an increasingly important mechanism for resolving national and international disputes, as revealed by the activities of the various institutions operating in that area, such as the International Centre for Settlement of Investment Disputes, the London Court of International Arbitration, the International Court of Arbitration, and the Permanent Court of Arbitration at the Hague. Cyprus wished to become a regional centre for arbitration, and its government was taking steps to achieve that.

75. The Cypriot delegation, which had been at the forefront of initiatives to create UNCITRAL in the mid-1960s, was fully aware of the fundamental role played by trade law in ensuring an adequately functioning and healthy economic system, and of the need to ensure active participation in UNCITRAL regulatory activity from the largest possible number of countries and legal systems. It therefore enthusiastically supported the proposal to substantially expand the Commission and to increase its secretariat's financial and human resources to enable it to fulfil its functions, in keeping with the importance of its activities and its heavy workload.

76. **Mr. Bliss** (Australia) stressed the importance of completing the UNCITRAL model legislative provisions on privately financed infrastructure projects, adding that his country continued to participate in the working group on insolvency law, and was looking forward to the final project being approved by the Commission, which he was sure would ensure widespread acceptance. He also praised the achievements of the Working Group on Transport Law in preparing the draft international instrument on the carriage of goods by sea, which could also gain widespread international acceptance. Of particular interest to his delegation was the progress made on an international instrument to regulate electronic shipment documents, abolition of the navigation error defence,

and the provision that access be granted to the carrier's temperature records in cases of goods transported under controlled temperature conditions.

77. Australia also applauded the progress made on security interests, secured transactions, insolvency law, electronic commerce and arbitration; and it welcomed the sector-level analysis made by the Office of Internal Oversight Services on the treatment of trade law by United Nations bodies. It also considered it essential to review relations between UNCITRAL, UNIDROIT and the Hague Conference on International Private Law, and the links between those organizations at the International Monetary Fund, the World Trade Organization and the World Bank.

78. **Mr. Kobayashi** (Japan) welcomed General Assembly resolution 57/20 which increased the number of members of UNCITRAL, but he was reticent towards the possibility of holding two-week sessions and increasing the total number of sessions, given the resource burden that that would imply for Member States and the secretariat. He also expressed his delegation's interest in UNCITRAL's work on privately financed infrastructure projects and arbitration, and announced that Japan had recently promulgated a new arbitration law in keeping with the UNCITRAL Model Law on International Commercial Arbitration, which would enter into force in 2004. With regard to transport law, he stated that the draft international instrument on the carriage of goods by sea would require careful study of a number of problematical issues, including its scope of application.

79. Japan attached major importance to the work on electronic commerce, on which it had already promulgated a special law on electronic consumer contracts, and it offered its experience on the subject to UNCITRAL. The Japanese delegation also hoped to make positive contributions on the subject of insolvency law. With regard to security interests, it was essential to formulate a legislative guide that included recommendations on movable property, and to establish a unified international regime, which required solving the complicated issue of the treatment of the rules of international private law. Japan considered it essential not to act precipitately, but to continue with careful study of the subject.

80. **Mr. Lobach** (Russian Federation) expressed his belief that the UNCITRAL model legislative provisions on privately financed infrastucture projects would be very useful for States, especially developing countries, in creating a basis in national legislation for regulating private-sector participation in the development of State infrastructure. The UNCITRAL document would help establish effective and transparent procedures for agreeing upon infrastructure contracts and eliminating undesirable obstacles. In relation to the legislative guide on insolvency law, the high level of consensus achieved on such a complex issue and the balanced nature of the draft guide were particularly praiseworthy. The solutions presented in the draft would be useful to States with different legal traditions and different levels of economic development — both those that did not yet have an insolvency law and those that had started the process of reviewing and revising existing procedures. Hopefully progress would continue and it would be possible to complete and adopt the definitive guide in the next session of the Commission.

81. With respect to the duration of working group sessions, it was important to note their increased effectiveness since the new scheme for holding sessions had been implemented two years ago. He believed it was too soon to raise the issue of lengthening the sessions of specific working groups.

82. **Mr. Watson** (United Kingdom) referring to the instrument on privately financed infrastructure projects, hoped that funds would be obtained as soon as possible to reprint the legislative guide, in order to include legislative recommendations and the model legislative provisions. He expressed his delegation's satisfaction at having participated in preparation of the legislative guide on insolvency law, in the activities of the Working Group on Arbitration, and in the preparation of standardized texts on the written form of arbitration agreements and interim measures. He agreed with the secretariat that work on security interests should reflect the corresponding or related provisions of the draft guide on insolvency law. Both groups were working on mutually related issues, and it would be desirable for the two projects to be completed at the same time.

83. In relation to the allocation of two weeks of meetings of the Working Group on Transport, hopefully that was only a temporary measure given the limited time available and the needs of other groups. Lastly, with regard to the economies made in the previous year, United Kingdom supported the proposal

that the corresponding funds be destined for the work of UNCITRAL, bearing in mind its importance in the development of international trade.

Agenda item 159: Observer status for the International Institute for Democracy and Electoral Assistance in the General Assembly (A/C.6/58/L.6)

84. **Ms. Miller** (Sweden) presented a draft resolution on observer status for the International Institute for Democracy and Electoral Assistance in the General Assembly on behalf of Australia, Belgium, Botswana, Burkina Faso, Canada, Chile, Costa Rica, Denmark, Finland, Germany, Guatemala, Japan, Mauritius, Mexico, Namibia, the Netherlands, Nigeria, Norway, Portugal, Republic of Korea, South Africa, Spain, Switzerland, Uruguay and Sweden. To address the concerns of a number of delegations regarding the legal status of the International Institute for Democracy and Electoral Assistance as an intergovernmental organization, the institute had revised its statutes, which now stipulated that associate members could not take part in Council decisions.

Agenda item 162: Observer status for the Eurasian Economic Community in the General Assembly (A/58/143; A/C.6/58/L.5)

85. **Mr. Kazykhanov** (Kazakhstan) presented the draft resolution contained in document A/C.6/58/L.5 on behalf of Belarus, Kazakhstan, Kurdistan, the Russian Federation and Tajikistan, and thanked Cambodia for having joined the list of sponsors of the draft resolution. The Eurasian Economic Community was an international organization that had been established in Astana (Kazakhstan) on 10 October 2000, by the five countries sponsoring the project, which where members, along with Armenia, the Republic of Moldova and Ukraine, which were participating as observers. In conformity with the provisions of the Charter of United Nations, the treaty creating the Community had been deposited with the United Nations Secretary-General on 6 May 2003. The two main objectives of the Eurasian Economic Community were the establishment of a customs union and the creation of a single economic space; and its activities encompassed various domains. In order to achieve the greatest possible cooperation between the Eurasian Economic Community and the United Nations, the relations between the two needed to be consolidated on firm foundations, which would be enhanced by the Community's having observer status in the General Assembly, thereby making it possible to strengthen cooperation between the two and expand capacity for mutual assistance to guarantee peace and security regionally and worldwide. Kazakhstan recommended that the draft resolution be approved.

Agenda item 163: Observer status for the GUUAM in the General Assembly (A/58/231; A/C.6/58/L.4)

86. **Mr. Siamashvili** (Georgia) presented the draft resolution contained in document A/C.6/58/L.4 on behalf of Azerbaijan, Georgia, the Republic of Moldova and Ukraine. The GUUAM group, whose founding treaty had been deposited with the United Nations Secretary-General, had concluded a number of agreements over the last five years ranging from the creation of a free-trade zone to cooperation in the fight against terrorism, in the framework of which it was carrying out a number of projects in collaboration with the United States. The GUUAM group was committed to universal values of respect for human rights, good governance and the guarantee of sustainable development goals. The creation of alliances with the United Nations would be in the interests of both organizations since they shared numerous objectives in common. Georgia enjoined the Committee to support the draft resolution. The speaker reported that Uganda and Uzbekistan had joined the list of sponsors.

Agenda item 164: Observer status for the East African Community in the General Assembly (A/58/232; A/C.6/58/L.3)

87. **Mr. Butagira** (Uganda) presented the draft resolution entitled "Observer status for the East African Community in the General Assembly," contained in document A/C.6/58/L.3, sponsored by Burundi, Kenya, Rwanda, Uganda and the United Republic of Tanzania. He reported that the following countries had joined as co-sponsors: Australia, Costa Rica, Côte d'Ivoire, Gambia, Georgia, Ghana, Guatemala, Madagascar, Malawi, Portugal, United Kingdom, United States of America, Sudan and Zimbabwe.

88. The East African Community was a regional intergovernmental organization comprising Kenya, Uganda and the United Republic of Tanzania. It was created by the Constitutive Treaty of the East African Community, signed on 30 November 1999, and it entered into force on 7 July 2000. The treaty invited

participation from other States in the region, and Burundi and Rwanda were currently completing membership procedures. The objectives of the East African Community, which were fully consistent with those of the Charter of the United Nations, included political, economic, social, legal and environmental goals. In the final analysis, the organization's purpose was to maintain peace and stability in the region, and to contribute to its sustained economic development.

89. By creating the Community, the leaders of East Africa believed that it would serve as a powerful stabilizing force in the Great Lakes region, thereby contributing to the maintenance of world peace and security, which was the main objective of the United Nations. The speaker believed that the creation of a powerful subregional organization would help contain the inter-ethnic conflicts and other destabilizing forces that had afflicted the region.

90. The Legislative Assembiy of East Africa and the Court of Justice were already functioning, along with other institutions such as the Council of Ministers, the Summit of Heads of State, and a secretariat with wide-ranging jurisdiction headed by a secretary-general. Several working groups had been attempting to standardize and improve laws, regulations and services to achieve the purposes and common objectives of the organization. Member States had signed a customs union agreement on 30 November of the current year, after which a common market and monetary union would be established. The fact that political federation was one of the organization's aims, underscored its ambition to achieve political stability in the region.

91. In keeping with its constitutional treaty, the East African Community would encourage cooperation agreements with other regional and international organizations, including the United Nations and its specialized agencies, and the African Union, whose activities were related to the Community's objectives. In that context, the East African Community was requesting observer status in the General Assembly, which would benefit both United Nations and other international organizations.

92. **Mr. Mahiga** (United Republic of Tanzania) said that, in its capacity as founding member and host state of the East African Community, his country fully supported the request for the Community to be granted observer status in the General Assembly. The Community's objectives, to which the United Republic of Tanzania attributed great importance, were consistent with Tanzania's foreign policy of forging ever closer relations with its neighbours and promoting a spirit of collective trust through economic cooperation and regional integration. The United Republic of Tanzania believed that good neighbourliness was essential for the promotion and maintenance of peace and security in the region, and that regional integration was fundamental for achieving rapid and sustainable economic development in the different subregions.

93. Created in 1999, the East African Community had its roots in a shared history of cooperation and cultural affinities between the three States of the region. The integration process was moving ahead with the ultimate goal of achieving a political federation; and basic institutions such as the Secretariat, the Legislative Assembly and the East African Court of Justice had already been established and were operating adequately. An agreement had been reached on the creation and modalities of a single internal market, and a calendar existed for implementing a free-trade zone. By the end of the year a protocol establishing a customs union would be signed, and a coordinated policy would be implemented for investment, industrial development and tourism that placed emphasis on private-sector participation. The Second Development Strategy for the period 2001-2005 included basic infrastructures such as the highway networks project, the electric power framework plan and shared environmental management of Lake Victoria, in addition to joint initiatives to standardize monetary and immigration policies. In addition, the East African community was inclusive and open to membership by other neighbouring countries.

94. After highlighting the importance of regional economic integration to promote the economic prosperity of participating countries and strengthen their bargaining power in the era of globalization, the speaker stated that the East African Community, which encompassed more than 80 million people, was called upon to play a major role in economic affairs and social development on the African continent and in the international community generally. Observer status in the General Assembly would enable the East African Community to keep abreast of world trends affecting the region, forge advantageous links with Member States and international organizations, and offer the

international community its regional experience in a multilateral framework that would serve to enrich multilateralism worldwide and strengthen international peace, development and security.

The meeting rose at 1.00 p.m.